



Transparency at Scale

Driving sustainable value chains with the UN Transparency Protocol (UNTP)

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The Situation

Greenwashing is rampant



https://www.un.org/en/climatechange/science/climate-issues/greenwashing https://www.zippia.com/advice/greenwashing-statistics/ https://www.reuters.com/sustainability/banks-behind-70-jump-greenwashing-incidents-2023-report-2023-10-03/ https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1692 https://www.accc.gov.au/media-release/accc-greenwashing-internet-sweep-unearths-widespread-concerning-claims



And getting worse



53.3% of examined environmental claims in the EU were found to be vague, misleading or unfounded and 40% were unsubstantiated.

Of the 247 businesses reviewed during the sweep, 57 per cent were identified as having made concerning claims about their environmental credentials.

The number of instances of greenwashing by banks and financial services companies around the world rose 70% in the past 12 months from the previous 12 months

"three-quarters of executives said most organizations in their industry would be caught greenwashing if they were investigated thoroughly." Moreover, almost "60% say their own organization is overstating its sustainability methods."



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So we face a tipping point

There is a significant difference between consumer expectation and market behavior

There are **<u>two</u>** plausible pathways out of this:





Regulations are driving more transparency



At corporate

At product

level

level



EU : Corporate Sustainability Reporting Directive (CSRD) Due Diligence Directive

AU : Climate Related Financial Disclosure (CRFD)

RoW : Various regulatory initiatives of the same pattern

 EU : Digital Product passport (DPP Deforestation Regulation
AU : National Framework for Recycled Content
RoW : Various regulatory initiatives of the same pattern



- More public sustainability performance data
- Leaves unsustainable behaviour with nowhere to hide
- And more claims that can & will be scrutinised



The Challenge

But Transparency at scale is a hard problem

Challenge

1	Plethora of traceability platforms	
2	Few business incentives	
3	Insufficient due-diligence	
4	Commercial confidentiality	
5	Unequal digital maturity & adoption	
6	Compatibility with existing identifiers	
7	A confusion of ESG standards	
8	Identity, counterfeiting, mass balance fraud	



The Solution

Which UNTP aims to solve

	Challenge		Solution
1	Plethora of traceability platforms		UNTP: A protocol that any platform can use
2	Few business incentives		UNTP: A library of business case templates and community level value.
3	Due-diligence obligations		UNTP : Supports independent conformity attestations
4	Commercial confidentiality		UNTP: Privacy including selective redaction
5	Unequal digital maturity & adoption		UNTP : Works for both humans and machines
6	Compatibility with existing identifiers		UNTP: Leverage existing identifier schemes and registers
7	A confusion of ESG standards		UNTP: A framework for equivalence mapping and mutual recognition
8	Identity, counterfeiting, mass balance frau	d	UNTP: Best practice solution patterns for common problems.

By linking verifiable data at global scale

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But it has to work AT SCALE to have any impact UNTP is an interoperability **protocol**, not another **platform**





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UNTP comprises five key pillars



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Putting it together – entire value chain perspective





Alignment

Why UNTP? What about other DPPs?

There are many similar initiatives happening around the world. Some are regulatory mandates, and some have strong industry support. Why should I implement UNTP?

- 1. Cross-border upstream focus complements regulatory initiatives
- 2. Cross-industry core supports industry sector initiatives.
- 3. Complete yet simple solution with a lot of reusable capability.
- 4. Liaison with ISO, IEC, CENELEC, GS1 assures alignment

Every regulated market has cross-border supply

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UNTP is complementary to regulatory product passports – it provides the high integrity **upstream data feedstock** to inform regulatory passports.



Every industry needs supply from other sectors

UNTP provides a cross-industry re-usable "core". Industry can create non-breaking extensions that suit their needs whilst maintaining **cross-industry interoperability**.



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What Next?

Industrial Pilots.

Pilot Implementations that <u>can</u> scale





Call to action

Register your intent and join a pilot https://uncefact.github.io/spec-untp/ United Nations About the UNTP The specification Tools and support Extensions Implementations

UN Transparency Protocol

Supporting governments and industry on practical measures to counter greenwashing by implementing supply chain traceability and transparency at the scale needed to achieve meaningful impacts on global sustainability outcomes.

Join our chat channel

Regulators

export market access.



Combat greenwashing and uplift

customers.

obligations for you and your

Software Providers Empower your customers to Meet supply chain due dilligence

participate in sustainable digitised supply chains.

Provide digitally verifiable trust of ESG compliance.

Certifiers

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Or just google "UNTP"





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UNTP : <u>https://uncefact.github.io/spec-untp/</u>

Rec 49 : <u>https://uncefact.unece.org/display/uncefactpublicreview/Public+Revie</u> w%3A+Recommendation+No.+49%3A+Transparency+at+Scale

